

Import Balance Portends End of U. S. Prosperity

Reviving Nations Glut World Market with Goods and Doom Capitalism

A sharp and clear warning comes to American capitalism that the present boom is ending. It comes in the form of an unfavorable trade balance for the six months just closed, as reflected in the U. S. Department of Commerce trade figures for the first half of 1926.

These figures show that a \$381,458,568 export balance for the first half of 1925 has been changed into a \$97,178,581 import balance during the first half of 1926.

The first six months of 1926 the United States exported \$2,207,001,204 of goods or \$39,859,602 less than the first half of 1925. On the other hand, foreign countries shipped to the United States \$2,304,179,785 of goods or \$18,225,581 more than in the same period a year ago.

THE BALANCE OF TRADE IN FAVOR OF THE UNITED STATES SINCE THE WAR HAS BEEN \$21.

There is more wealth than the average man owns altogether. It marks an outlet of EXPORTS IN EXCESS OF IMPORTS never enjoyed before by any nation in history.

The swing in the past six months to a considerable EXCESS OF IMPORTS OVER EXPORTS is very significant. If it continues it will face the United States with a very grave, and increasingly impossible situation—AND THIS TENDENCY NOT ONLY MUST CONTINUE, BUT IT IS BOUND TO INCREASE.

Unparalleled Advantages

Since the world war the United States has occupied a position in world finance and trade never occupied before by any country. With the greatest resources, mechanical power and largest supply of available trained industrial labor, it faced partially exhausted, ruined and bankrupt countries everywhere. Before these countries could be financially and industrially

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Foreign Flood of Goods Hits United States

Country Faces Narrowing of Its Markets and Slowing Down of Industry

Washington.—The country's foreign trade in the fiscal year ending last month was in excess of \$500,000,000, an increase of more than \$70,000,000 over 1925. The huge gain was entirely in import trade, the total value of which was \$1,466,687,000, an increase of \$422,559,111.

Export trade totaled \$1,757,516,294, a decline of \$111,041,950 from last year, reducing the favorable trade balance to \$290,829,294, as compared to \$1,124,756 a year ago. In spite of the market reduction in the merchandise export surplus, there were net imports of gold of more than \$97,000,000.

The decrease in exports was substantially confined to grains and cotton, says Secretary Hoover. "Exports of foodstuffs of all classes fell from \$270,000,000, the decrease in value alone being nearly that much."

The export trade balance for the first six months of 1926 was an import balance of \$97,178,581.

How Is This for Liberty?

The American Civil Liberties Union reports the following:

Russell Tremain, 9-year-old son of J. W. Tremain of Bellingham, Washington, WAS TAKEN PERMANENTLY FROM HIS HOME because the religious scruples of his parents forbade him to salute the flag in school exercises. HE WAS GIVEN OUT FOR ADOPTION by "Christian," patriotic parents.

Trade of World Reaches Volume of Pre-War Days

New Era of Competition, Cluttered Markets and Unsold Surplus Is Underway

Washington, D. C.—The foreign trade of 55 countries, representing about nine-tenths of the world's commerce, had an aggregate value of \$58,500,000,000 in 1925, as against \$51,600,000,000 the year before, and \$47,900,000,000 in 1913.

Commerce department figures compiled today showed that aggregate exports of the 55 countries increased \$3,112,000,000 over 1924, while imports gained \$1,226,000,000.

From the low point, following the collapse of the post-war boom, a statement said, "International trade has increased steadily. A calculation based on pre-war prices would indicate that in 1925, for the first time since the war, world trade reached its pre-war volume."

U. S. Plutes Get Germany as War Prize

Net Result of War Is Capture of Exhausted Countries by American Bankers

Why we fought Germany in the world war is being revealed by the flow of American capital into Germany, its largest present field of investment.

The principal effect of the world war was to practically bankrupt German capitalists and open up an unparalleled opportunity for American capital to flow in and own Germany. Instead of making the world safe for democracy, as the war hypocrites and liars pretended, the world war made the world safe and ripe for ownership by American plutocracy as the following facts strikingly indicate:

More than \$500,000,000 of American capital has been poured into Germany in the last 10 months, according to a survey of foreign securities offered in the United States issued by the U. S. department of commerce. In the same period the total of all foreign securities offered in this country was \$3,000,000,000, averaging more than \$100,000,000 a month.

In the first half of 1926 American capitalists invested \$578,853,500 in foreign lands. About \$19,395,000 of this was loaned to repay loans previously made by bankers in this country so that the net value of new capital sent abroad was \$429,658,500. The total included 16 issues of \$10,000,000 or more, the five largest loans being \$10,000,000 to Canada, \$7,000,000 to Brazil, \$37,000,000 to the Duke-Price Power Co. of Canada, \$30,000,000 to the United Steel Works of Germany, and \$27,500,000 to Uruguay.

In the first six months of 1926 more than 37 per cent of the new capital furnished foreign countries by Americans went into Germany. And nearly 50 per cent went into Europe. Compared with Germany's \$159,720,500 share, Latin America, supposed to be the special empire of American capital, received only \$114,970,000.

Germany's lead as a field for American investment in 1926 is especially noteworthy in the realm of corporate finance. American capitalists provided German industry with \$107,420,500 in the six months. This is over 16 per cent of all the new capital which Americans provided for foreign countries in the period. Europe as a whole got nearly 85 per cent of America's investment in foreign corporations.

Since Jan. 1, 1924, \$212,000,000 new capital from this country has been furnished German corporations. German governmental, provincial and municipal issues have been floated in this country to the extent of \$266,450,000. The combined total of capital furnished Germany by the American investing class is \$508,540,000.

The world war opened Germany to the inroads of American capitalist imperialism. American capital is to an increasing extent exploiting the highly skilled German proletariat in competition with the workers at home.

These figures, says the department, "show the relative activity of the

Americans Have \$25,000,000,000 Invested Abroad

Add Half Billion in Last Six Months in U. S. Bankers Conquest of World

Washington.—The United States, by forcing nearly \$500,000,000 of new capital into foreign lands in the first six months of this year, increased its loans and investments abroad to the stupendous total of approximately \$25,000,000,000, the commerce department revealed today.

War loans to foreign governments, with accrued interest, account for about \$11,000,000,000 of this sum. American private loans to foreign nations, provinces, cities and industrial concerns also total about \$11,000,000,000. The remainder is made up chiefly of vast investments in American owned plants throughout the world.

Maintaining the high level set last year, this country loaned nearly \$584,000,000 abroad from January to June, the commerce department announced. Refunding loans, however, amounted to \$151,000,000, making a total of new capital of \$433,000,000. This compares with \$437,000,000 in the same period last year and \$278,000,000 in the first half of 1924.

Germany was by far the largest borrower. She raised \$159,720,500 of new capital in this country. Two-thirds of this was taken by her industrial and public utility plants and the like, and the remainder by provincial and city governments.

Latin America was the second largest borrower, taking about \$115,000,000. Nearly four-fifths of this was for governmental units, a large proportion went into public improvements. Corporations of the Latin-American countries were loaned \$23,000,000 by American bankers and investors.

Canada borrowed near \$102,000,000, according to the department's figures, about two-thirds of it for industries. Europe, exclusive of Germany, borrowed a total of \$18,820,000 of new capital, and the Far East, \$8,300,000.

British Woman Labor Leader Wins Election

Margaret Bondfield in Smashing Victory in English By-Election

London, England, July 23.—The return of Miss Margaret Bondfield, former chairman of the Trades Union Congress, as a labor member of the house of commons today is hailed by the laborites as a distinct blow to the Baldwin government.

The above obscure notice was accorded an important political world by the workers throughout the world by one of the Chicago daily newspapers. A painstaking search for details of the election of Miss Bondfield failed to reveal any other notice of this event in any other newspaper examined by the editor of the American Appeal.

It is another example of the capitalist news suppression bureau at work. The election of the recent chairman of the British Trade Union Congress and the former secretary for the premier of England, Ramsay MacDonald, following a series of brilliant labor victories won during the last year was not news to the capitalist sheets, because they did not like the event and its probable effects on news.

Miss Bondfield's election at this stage of the coal miners' strike and industrial crisis in England, following the recent tremendous labor victory at Hammersmith, is striking evidence of the unpopularity of the Tory government in England and a strong indication that the Socialists would be in an actual majority at this time, if a general election were held.

United States as an underwriting nation and are indispensable in estimating our total growth as a creditor nation. The rapid increase in the number of foreign issues floated here during the past 30 months indicates a sound growth in our ability as a lending nation."

The Broadcaster

The summer capital is where the winter capital is—on Wall street.

Prices are still going up. The exploiters are now 150 per cent American.

This is a great country. It lies down and lets a lot of grafters romp on its stomach.

Plutes and profiteers are not the only ones who have mouths to fill and tongues with which to talk.

Don't wait for someone to give you a Socialist party; make it and give it to others, and thousands will be grateful.

After having worn a muzzle for ten years, you don't know how good it will seem to get out again and talk for Socialism.

The profiteers have wanted America's savings within ten years. They now have you where they can make you slaves.

Scientists say the earth is shrinking. Well, hasn't it been bled white? And aren't the pocketbooks of the people reduced?

The one great hope for the people lies in getting a big circulation for the American Appeal.

A vote for an old party ticket is putting your name on the dotted line for further years of slavery.

The money spent in seeking offices is stolen from the people a little later, and more besides.

If you had not been robbed you would be rich. If you are rich, who all have you robbed?

When the pockets of the people have been emptied, the scoundrels pick each other's pockets.

There are enough automobiles in America to carry the whole population; but Golden Rule business lets ninety per cent of the people walk.

What President Green seems to be ready to fight for is the right of one craft union to break the strike of another craft union.

You used to be happy when you worked for Socialism, and you almost won. Be happy again and win completely.

Socialism is not so much a program as it is a method. It means that you shall control your life and make of it what you will.

And They Say It Can't Be Done

The average cost of electricity to the domestic consumer in the United States in 1925 was 7.5 cents per kilowatt hour.

In the province of Ontario, where the people own Hydro, the cost was less than 2 1/2 cents.

Chairman C. A. McGrath of the Hydro makes the foregoing statement in his annual report which was submitted last week. His authority for the price to domestic consumers in the United States is the Electrical World of New York.

Hydro's showing for 1925, the eighteenth year of its existence, is a splendid illustration of what can be done under public ownership, efficiently managed.

Serves 243 Municipalities.

Hydro handled 867,143 horsepower, an increase of 100,000 horsepower over the preceding year.

After meeting all expenses and setting aside \$2,716,831 for a sinking fund, Hydro had a net surplus of \$127,848.

Two hundred and forty-three municipalities purchase power from Hydro and then retail it to their citizens. Of these, 40 have distributing plants which are free from indebtedness, and 31 additional will enter that status during the coming year.

The total investment in Hydro is \$276,720,073. Of this, \$198,998,979 represents the province's investment in power plants and distributing lines, and \$77,721,093 represents what the municipalities have invested in order to get the power to the ultimate consumer.

Growing Use on Farms.

The radicals section is the only disappointing feature of Hydro's activities. Delicts continue in the Toronto and York districts, but the Essex district shows a profit.

The use of electricity on the farms is steadily increasing. The report shows 12,395 customers on Ontario farms, as against 9,961 in 1924.

North Dakota Primary Big Public Ownership Victory

Coolidge Rushes Bargain Sale of People's Ships

Making Scandalous Sacrifices to Get Rid of Them Before Congress Meets

Now that congress is on vacation and there is no official voice to be raised against the outrage, Calvin Coolidge, the chure boy of the trusts, is giving the country an intensified dose of "Coolidge economy" in the shape of a most outrageous sacrifice of the government-owned ships to private corporations.

The president's plans for a "bargain counter sale" of the government ships is being pushed with vigor by General A. C. Dalton, the new head of the Emergency Fleet Corporation. It is expected that more than 250,000 tons of shipping will be transferred to private ownership within the next few weeks, says Labor, official organ at Washington, D. C., of the railway unions.

By the time Congress meets, the administration hopes the job will be finished and out of the way, and any objectors in the House or Senate will then be asked what they are going to do about it.

General Dalton, who claims to be speaking for President Coolidge, not only favors immediate sale of the ships at any price they will bring, but believes that the government should build ships at a loss and sell them to private owners in order "to keep the flag on the sea."

Some "Bargain Sales"

What the "bargain counter" sale means may be judged by comparing two sales—one of the government-owned ships of the "President" class, and the other of privately owned ships of the United American line.

The government sold five ships with a total of more than 70,000 tons, gross, for \$1,500,000. They were bought by the Dollar line. But for the opposition of Admiral Benson of the Shipping Board, and Captain Crowley, then head of the Emergency Fleet Corporation, the five ships probably would have been sold for \$2,000,000.

A Big Difference

W. Averell Harriman of the United American line this month sold three ships, with a total of 35,000 tons, gross, for \$5,000,000. They were bought by German shipping interests.

THE PRICE OF SHIPS SOLD BY THE GOVERNMENT WAS 45 CENTS PER TON, GROSS.

THE PRICE OF SHIPS SOLD BY HARRIMAN WAS \$142 PER TON, GROSS.

The three ships sold by Harriman were built in Germany, two in 1914 and one back in 1908.

THE FIVE SHIPS SOLD BY THE GOVERNMENT WERE BUILT IN AMERICAN YARDS IN 1921 AND EMBODY THE LAST WORD IN NAVAL CONSTRUCTION.

More Coolidge Economy Shown in Debt Pact

Secretary Mellon Makes Startling Confessions on Eve of Trip to Europe

At last the administration is telling the truth about our foreign debt settlements.

Stung by European criticism, which represented Uncle Sam as a Shylock demanding his pound of flesh, Secretary of the Treasury Mellon last week took the American public into his confidence.

Just before sailing for Europe, he told the correspondents that all our European debtors, except England, have been forgiven all the loans made to them during the war, and the United States is only insisting that they repay at least a part of the money advanced since the armistice.

The total of France's debt to this country is \$3,400,000,000, plus unpaid interest.

After the war ended, France received from this country \$1,635,000,000.

According to Mr. Mellon, the present value of the entire French-American settlement is \$1,681,000,000. ITALY OWES THIS COUNTRY \$2,042,000,000. ACCORDING TO MR.

2,453,418 U. S. Workers Killed, Injured in 1925

Toll of Lives to Capitalist Greed Transcends Losses During War

Washington, D. C.—Ten times as many Americans are wounded in industry each year than were wounded at the front during the World War.

More workers were killed in 1925 and suffered total disability than the losses suffered by the Union armies in the battle of Gettysburg, the bloodiest battle of the Civil War.

Every working day in 1925, 77 workers were killed and 8,331 wounded.

FULLY 85 PER CENT OF THESE ACCIDENTS ARE PREVENTABLE. THEY ARE NOT PREVENTED BECAUSE THE COST OF PREVENTION WOULD COME OUT OF THE PROFITS OF THE CAPITALIST OWNERS OF INDUSTRY.

These startling facts were disclosed at the Industrial Accidents Conference in Washington last week from data compiled by the United States Department of Labor.

The actual figures given by the Labor Department on industrial accidents for 1925 were, 2,453,418, out of which 2,122 were killed and 1,728 suffered total disability. The number of days lost as a result of injuries to workmen were 227,169,970, with a wage loss of \$1,022,264,866.

Frank Morrison, secretary of the American Federation of Labor, among other things, said:

"In the official call for this conference, the Secretary of Labor states that a conservative estimate indicates that the fatal industrial accidents in the United States probably exceed 23,000 per year, and that non-fatal accidents total 2,500,000 per year."

"This means that during every one of the 360 working days in a year, 77 workers are killed and 8,331 are wounded in the warfare which the workers are compelled to wage against machine production."

"The Secretary of Labor also asserts that his experts advise him that fully 85 per cent of these accidents are preventable. This means that every year 19,550 workers are NEEDLESSLY killed and 2,125,000 NEEDLESSLY injured in industrial accidents."

"If the United States were at war, and reports from the front declared that every day 77 soldiers were killed, 84 of whose lives could be saved by proper military safeguards, and that 8,331 soldiers were wounded every day, 7200 of whom would not have been wounded if there had been proper safeguards, if such reports came from the military battle front, there would be a nation-wide protest and a wholesale impeachment of the responsible military authorities."

MELLON, THIS HAS BEEN COM-PROMISED FOR \$26,000,000, WHICH IS LITTLE MORE THAN HALF THE \$60,000,000 ADVANCED TO ITALY SINCE THE WAR AND ONLY 21 CENTS ON THE DOLLAR OF THE ORIGINAL DEBT.

Belgium owed the United States \$117,750,000. The compromise calls for \$192,000,000, which is \$60,000,000 less than Uncle Sam advanced to Belgium since the war.

Great Britain has been asked to pay about 70 per cent of its total debt to this country. Mr. Mellon justifies this on the ground that Britain is well able to pay. Next to the United States, it is far and away the richest country in the world.

Secretary Mellon did not enumerate half the European nations that have thus been "forgiven" their debts to American citizens who had bought Liberty Bonds and who are paying taxes. Every one of these many billions of dollars was taken out of the pockets of these Liberty Bond buyers and taxpayers by officials who did so without the knowledge or consent of these citizens.

Why were these presumptive officials so generous to the nations of continental Europe, especially to Italy, and so hard, comparatively, on England?

Secretary Mellon's explanation does not explain. The explanation will undoubtedly be found in the fact that BRITISH HIGH FINANCE IS THE WORLD RIVAL OF AMERICAN HIGH FINANCE. WHILE CONTINENTAL EUROPE OPERS A FIELD FOR CONQUEST AND EXPLOITATION TO BOTH.

Retention of State-Owned Industries Was Issue of Campaign

Public ownership was the clear-cut and paramount issue in the recent primary election in North Dakota.

THIS ELECTION WAS ONE OF THE CLEAREST INSTANCES IN AMERICAN HISTORY WHERE THE PEOPLE OF A STATE VOTED CONSCIOUSLY AND DEFINITELY FOR AND AGAINST PUBLIC OWNERSHIP OF INDUSTRIES.

The result was a notable, a historic victory for public ownership. The issue was so clear and definite that the two leading reactionary Republican newspapers of North Dakota—the Fargo Forum and the Grand Forks Herald—admit that this was undoubtedly the cause of the disastrous defeat of the regular Republican organization.

While nursing the bruises of defeat these newspapers both declare that the injection of this issue into the platform of the regular Republicans was a serious mistake.

What the State Owns

The inauguration of the most extensive public ownership program ever adopted before by any state in the Union followed the rise of the Non-partisan League, a farmer organization backed by organized Labor, to power ten years ago.

Among the state-owned and state-operated enterprises established as a result of the capture of the state government by the farmer and labor forces were the following: A state bank at Bismarck, the capital; a \$2,000,000 flour mill and immense elevators at Grand Forks; state ball insurance operated at cost for the benefit of the farmers; state insurance of state property and one of the best workman's compensation laws in the United States. There was also inaugurated a state home building organization to erect and sell in easy payments homes at cost, which was eliminated later by the enemies of public ownership. The Nonpartisan League also advocated state-owned packing plants, but did not establish any of these before its enemies came back into political power. It passed a splendid and highly beneficial measure—a state grain grading law, which was set aside later by the federal courts.

Survives All Attacks

After all these powerful, smashing attacks of American capitalism, bow-down

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Ford's Profits \$240,284 a Day for Seven Years

Detroit.—The Ford Motor Company made a net profit of \$528,411,951 from 1917 to 1924. It was revealed today before Standing Master in Chancery William S. Sayres.

Reducing this to days and hours it reveals a net profit of \$30,035 per working hour, or \$240,284 a day.

These figures were admitted as evidence in the suit of the Parker Rust Proof Company against the Ford company for infringement of patent rights. A decision favoring the Parker company was made by Judge Arthur J. Tuttle in 1925.

In 1922 the motor company had its biggest year with a net profit of \$115,787,361.

Gross profits were \$876,176,230, it was testified by Herbert L. Leister, chief auditor of the Ford organization.

Every day in every way the people are getting bitter and bitterer.

Appeal to Have Labor Day Issue

The American Appeal will issue a regular Labor Day edition dated the Saturday before Labor Day.

Several of the biggest writers in the American Socialist movement will contribute articles.

On account of the nearness of election day, it will also be a red hot campaign number.

Order early and big.

The Appeal Question Box

Editor of the Appeal Question Box: I noticed your answer, in your July 17th issue, to Paul Jonscher's second question.

"Does that answer mean that property titles, under Socialism, are to be based on the collective will, instead of on the act of production?"—Vaughn Buchanan Brokaw, Phoenix, Arizona.

That, I take it, is another way of asking whether an individual's income in the public or co-operative industries under Socialism would be determined consciously by officials, or whether conditions would naturally bring the producer his proper compensation.

My answer would be that undoubtedly economic conditions and not man-made regulations and decisions would determine what the individual producer would get and own.

Supporting all employment except private individual occupations are co-operative or publicly operated. What would have to happen is the long run. This, I firmly believe, would happen. THE PUBLIC WOULD HAVE TO PAY THE INDIVIDUAL WORKER WHATEVER WAS NECESSARY TO GET THE WORK DONE.

If the public failed in any line of work to pay enough in comparison with other lines, there would be comparative scarcity of men and production in that line. The remedy would be to increase the compensation until the output equaled the demand.

On the other hand, some particular line of work was overcrowded with workers and the output was larger than the demand, the public could not do otherwise in the long run than to lower the compensation.

Import Balance Hits Prosperity

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destinately rehabilitated America HAD A VIRTUALLY UNLIMITED FOREIGN MARKET FOR ITS MANUFACTURED PRODUCTS.

Under these conditions, the fatal menace of the unbalanced surplus which makes every capitalist country under normal conditions, was removed from the United States. Our foreign trade suddenly developed to proportions never before heard of in the history of the world.

This tremendous outlet and tremendous demand for American goods tended to permit wages to rise. American wages expressed in money terms often seemed startlingly large compared with European wages, although they were not so large expressed in real purchasing power.

This extremely favorable position of America in its very nature could not last always. Foreign countries on the whole were slowly rehabilitating money and credit conditions among them were improving. Their industries were slowly increasing in activity. They were producing more and more goods that had been purchased of America and finally to be exported and sold in competition with American goods in the world market and in America.

Closes Gates on Itself

Strange as it may sound, ONE OF THE CHIEF FACTORS IN BRINGING ABOUT THIS FOREIGN REVIVAL WHICH WAS TO PROVE SO INJURIOUS TO AMERICAN FINANCE WAS AMERICAN FINANCE. The war left many countries sorely in need of American capital. American capital was piling up in huge amounts in America and needed an outlet for investment. In response to these conditions it flowed into Europe, South America, Mexico and other lands in a tremendous flood. MORE THAN TEN BILLIONS OF DOLLARS IN AMERICAN CAPITAL HAS BEEN INVESTED ABROAD AND THE FLOOD IS INCREASING.

By exporting capital American capitalists were shutting off their own world market. THIS CAPITAL WAS USED IN FOREIGN LANDS TO MAKE GOODS IN INCREASING QUANTITIES TO BE SOLD IN COMPETITION WITH GOODS MADE WITH AMERICAN CAPITAL IN AMERICA.

This backflow of goods is now entering this country in increasing quantities. Markets for American made goods are narrowing also in foreign countries. BOTH OF THESE TENDENCIES ARE BOUND TO INCREASE AS FOREIGN COUNTRIES GET MORE OR LESS ON THEIR FEET.

Results That Will Follow

The result is bound to be that AMERICA WILL FIND ITSELF WITH AN INCREASING SURPLUS OF UN-SOLD GOODS ON ITS HANDS. As these unsold goods pile up, factories will have to reduce production or close. INDUSTRY IN AMERICA WILL HAVE TO SLOW DOWN AS THIS EXPORTABLE SURPLUS INCREASES IN THE FACE OF GLUTTED WORLD MARKETS.

Unemployment will increase and THE INCREASING ARMY OF UNEMPLOYED WILL TEND TO PRESS ON INDUSTRY AND PUSH DOWN WAGES.

Another effect that is already beginning to be felt is the effect of this increasing stream of foreign goods on wages and conditions in America. These goods are made by workers who are paid lower wages than the workers of America. They tend to

bring down American wages.

A tariff will not remedy this condition. EVERY CAPITALIST NATION HAS TO HAVE A FOREIGN OUTLET FOR ITS SURPLUS OR PERISH. Erect a high tariff wall and in a country like the United States that can produce so much more than it has the purchasing power to buy and consume, and the surplus problem would become even more acute.

New Condition Felt Now
Already complaints are arising against these new conditions. Workers in brickyards are feeling the competition of cheap European products. A statement by the Common Brick Mfrs. Assn. of America says that European producers, who pay only \$1.15 a day for labor, are making prices just low enough to get the business but not enough lower to lessen the cost of building, and that 80 per cent of the brick used in the United States is within territory accessible to ocean going ships.

Another evidence of increasing foreign competition appears in protests against the dumping of German pig iron in these letters Witherbee, Sherman & Co. note the importation of 75,112 tons of German pig iron from the first five months of 1926. They say: "German pig iron is sold duty-paid at Boston, New York, Philadelphia and Baltimore at prices ranging from \$20.25 to \$21.50 a ton, prices less than the cost of production of many American producers."

The special prosperity of capitalists in America has rested upon the misfortunes of war ruined countries. It will pass as fast as the world recovers from the war.

THE WORLD WILL THEN FACE THE SUPREME CRISIS OF THE CAPITALIST SYSTEM—SCORES OF RECOVERED INDUSTRIALIZED NATIONS TRYING ALL AT THE SAME TIME TO DUMP THEIR SWOLLEN SURPLUSES INTO A GLUTTED WORLD MARKET.

It is a situation that can't be solved under the capitalist system. IT WILL FORCE THE ADOPTION OF SOCIALISM.

SOCIALISM WILL SOLVE THE SURPLUS PROBLEM BY GIVING THE SURPLUS TO THE WORKERS WHO PRODUCE IT.

With the Workers Around the World

Germany
The Republican bloc in Germany, the backbone of which is the Socialists, have asked for the right to possess small arms as a protection against the Fascists and other nationalists who are widely armed, and it has been granted.

This is a very significant development. The news dispatch telling of this arming of the people against Fascism reads as follows:

Berlin, July 25.—The executives of the Reichsbanner, the black red and gold militant association for the defense of the German republic, decided at Magdeburg today to arm its 3,000,000 members with rifles. Simultaneously, the federal government let it be known that there was no official objection to target practice with small calibre weapons.

The workers of Austria, Czechoslovakia and Belgium have been arming for some time in anticipation of a Fascist revolution. They have regular workers' militia and militia drills. The lesson of the enslaving of the workers of Italy by the militarized fascists has not been lost on Western

Europe. In the countries where the workers have been arming, this has been possible on account of the great political power of the working class. In Belgium and Austria the Socialist party is the largest party.

Belgium
The Belgian Socialist leaders, who were permitted by their party congress to enter into the cabinet of the reactionary Catholic Premier Jaspar, have taken the next logical step and induced the Socialists in the Belgian parliament to appoint King Albert a financial dictator for the next six months.

Both the Catholic and Socialist parties have thus shifted the responsibility for the further fall of the franc, or its stabilization far below par, on the shoulders of the king.

When he fails, as he will, the Catholics hope that he will dissolve parliament, together and suppress the Socialist party. The Socialists expect the king to fail and to lose influence, so that he will not get the full support of the regular army and will have little chance of fighting the Socialist guards with any hope of success.

It is a clever and dangerous game, on both sides. Its outcome will depend mainly upon the amount of power which the French and German Socialists can wield next year.

Poland
A very dangerous development in Poland threatens the workers and their party—the Socialist Party. The diet has granted the president the right to dissolve the diet and the right of the diet to delegate extraordinary powers to the president. This is the final outcome of the dangerous path the Socialists chose to follow when they supported Pilsudski's military uprising. They did this, however, as the choice of lesser evils, fearing that the triumph of Pilsudski's enemies would place fascism in direct control of Poland. Pilsudski's latest triumph is the triumph of a building army, and it illustrates the fact that under whatever cloak an army hides, it is the same sinister menace to democracy and liberty. Now that the army has saved Poland from fascism, who will save Poland from the army?

Great Britain
Manchester.—A recent editorial of The Manchester Guardian declares that the fascist movement in Great Britain is splitting apart because British conditions are too unfavorable for a fascist dictatorship.

Fascism succeeded in Italy only because parliament did not perform its duties and failed to cope with the economic problems left by the war. The British parliament, on the other hand, is vigorous and the Italian fascist example has had less effect on Great Britain than on any other large country of Europe.

"There is no reason in this country for adopting the top-heavy notions that representative institutions must necessarily misrepresent the people," The Guardian continues.

Neither will the British people believe "that any self-constituted dictatorship or oligarchy are able to get control of the administrative machinery of government are thereby qualified to interpret more accurately the community's will."

China
Canton, China.—Unusual militancy for government workers is expressed by the Chinese amalgamated union of letter carriers and clerks. The union's recent manifesto reads in part:

"There are two classes in the world, those who have everything, and those who have nothing. The former enjoy all the social, economic and political privileges. The latter have neither freedom nor well-being.

"The non-privileged cannot better their condition without getting themselves free. They cannot be free without overthrowing the master class. And they cannot do so without organization.

"Although our postoffice is now in the hands of the imperialists, we will prepare to make it better in the future when it is again in the possession of our government. We will direct all our efforts in that purpose, beside the struggle for our class and for the revolution."

By ultimatum of the Chinese printers' union, issued to check anonymous reactionary propaganda the union employees in Canton shops now enforce the following rules:

1. All publishing houses must put their names and those of the customer on propagandist handbills, pamphlets, cartoons, etc. 2. No shop may print articles having reactionary tendencies. 3. No union members may set such articles. 4. Advertisements for help wanted must bear the names of responsible persons to be held accountable if conditions of employment are not as advertised, otherwise the union will pull the ad out of the paper.

"Since our members are citizens of China," the union declares, "naturally we should with our best efforts support our revolutionary Nationalist government."

Russia
Moscow.—The Russian miners' union has grown 20 per cent in the last two years, its officials reported to the convention held in Moscow in May. The present membership is 361,651 out of 387,697 workers in all branches of the industry.

The union includes workers of 62 races, including Chinese, Tartars, Kirghis and Persians. Unemployment, confined to the small fields, totals 4.6

per cent of the membership. (In Illinois over 50 per cent of the unemployed are unemployed.) Unemployment in Belgium and Austria the Socialist party is the largest party.

Sweet Land of Liberty

Eight cases of interference with freedom of speech and assembly are recorded in the report of the American Civil Liberties Union for June at Fall River, Mass. New York City; a Sacco-Vanzetti meeting at Trenton, N. J.; Ku Klux Klan parades in Jersey City, Niles and Cleveland, Ohio, and Philadelphia.

Mobs in Guthrie, Ky. and Wilson, Ark. lynched negroes.

Anti-Negro riots occurred in Beverly, N. J. and Brooklyn, N. Y., over the presence of Negroes in white districts, necessitating the calling out of troops.

Two teachers in Paducah, Ky., were refused reappointment because they were charged with teaching evolution.

The Louisiana state senate voted to postpone action on the anti-evolution law passed by the lower house.

Hal White, assistant professor of English at Yale, announced that he would contest his dismissal from the University of Montana Summer School faculty as a result of publishing a poem which was held partly responsible for suppression of the May New Masses.

The Court of Appeals of New York denied the right of "peaceful picketing" in sustaining the anti-picketing injunction issued against the Bakery and Confectionery Workers' International Union at New York City.

The Passaic Textile strike, now in its twenty-sixth week, continued during the month with repeated clashes between police and strikers.

Clashes with police marked the Furriers' strike in New York City, which finally terminated in a victory for the strikers.

Chapters on evolution in the standard biology textbooks for the Texas public schools have been cut out by Henry Hult & Company and the McMillan company on the order of the Texas State Textbook Commission. Wherever in the biology the word "evolution" appeared "development" has been substituted. A chart depicting man as the fruit of an immense evolutionary tree has been eliminated, together with whole chapters describing the evolution of the higher animals. Textbooks on physiology and hygiene have been similarly censored.

The Citizens' Committee of Passaic, N. J., claiming a membership of 700, has launched a savage attack on Albert Weisbord and the other strike leaders in an attempt "to drive out radical agitators."

The Executive Committee of the Associated Charities and Parishes of Passaic have issued a statement that the Citizens' Committee do not know conditions among the strikers and that they are attacking strike leaders because Citizens' Committee leaders have political aspirations. It is charged that the Citizens' Committee was formed by the Passaic Chamber of Commerce "under the dominance of the mill owners."

The Northern California branch of the Civil Liberties Union under the leadership of Guido Marx, professor of machine designs at Stanford University, has launched a campaign against the atrocious criminal syndicalism laws, and against the introduction of compulsory Bible study and anti-evolution restrictions in the public schools.

That the Philippine Islands are imbibing American civilization in large doses is evidenced by the recent introduction in the house of the Philippine legislature a bill to prohibit the teaching of evolution in the public schools of the islands.

Young People's Department

National Office
YOUNG PEOPLE'S SOC. LEAGUE
20 Townsend St., New York, N. Y.
Angus J. Parker, Nat. Director.

The Call of Our Times to Youth

By Norman Thomas

If you are under twenty-one, and maybe if you aren't, please read this article. If you are really old, don't bother. What we have to say is intended for young folks. But we hasten to add it has nothing whatever to do with the virtues or vices of fappers, lip sticks, or the length of skirts.

We are writing to young folks because it is not very much use to write for anybody else. Very few men and women change their minds or their habits after they are twenty-one. By the time we are thirty, the mold has hardened; responsibilities have begun to accumulate. If we think at all, it is along the beaten track of our habits and interests and fears. That is why

the world is so full of old superstitions and absurdities and prejudices.

Of course, it is not enough just to be young. Your minds may be plastic, but if they are so plastic that you let others force them into the old molds without resistance, you are no better off than the old laid-heads. You have youth to do something with it. If there is a war within the next few years, young men under thirty will have to fight. If there is to be peace, young men and women under thirty will have to win it. That question of war or peace is just one of the many that must challenge young people on the threshold of life.

An older generation is handing down to you a marvelous world of great achievements as well as tragic failures. You are bound to pick up the torch of scientific knowledge and carry it farther. But already you inherit from the generations that are gone, enough knowledge of physical sciences and the technical skill to make this earth produce plenty and to spare for all its present population. Our ancestors knew little poverty because they lacked tools and mechanical power to drive their tools. They had not conquered nature or learned its secrets. We know bitter poverty only because we lack the right social institutions and the power of fellowship to drive them. We have unconquered what we call human nature or learned its secrets and because of our ignorance, millions of people live and die in unnecessary want, and the whole world goes in fear of a war made so deadly by science that it may amount almost to an act of collective suicide for the human race. Can any young man or woman face this failure to use our scientific knowledge to banish war and poverty and oppression without feeling his heart leap within him at the challenge to his generation?

But when you look about to discover what help there may be in this great struggle against unnecessary poverty and suffering, what do you discover? Social institutions, schools, newspapers, radio, churches, political parties, for the most part intent on passing down to you all the old superstitions and prejudices and self-interests which brought about the World War and which keep the great majority of your brothers and sisters in poverty. Even a child can understand to what tragedy old misconceptions of patriotism and the old economics of capitalism have brought the world. Yet this old world still confronts you with with bribes for you if you conform to its prejudices and threats if you dare to think and act for yourselves.

You are ambitious. You want education. You want to get ahead. "Very well," says this old world of ours, "here are schools. Be diligent. Cultivate pep, personality and power. So will you climb to success, and success is measured by dollars." What the old world does not tell you is how few are the prizes and how many the failures in this lottery of success. Statisticians have recently told us that a large percentage of the men and women in the United States over 65 years old are dependent for their support upon public charity or their children. That is the result of prosperity for you. Even if you win success—Babbitt's kind of success—you may find at last what a poor and empty thing it is. No, our gospel of every man for himself and the devil take the hindmost, does not work. The notion that it is honorable for some men to live by owing while others live by working is not only poor and cowardly; it is devastating to true prosperity and lasting peace.

There is one thing left for youth to try, and that is, co-operation. Instead of fighting blindly for profit, can we not use our magnificent heritage to produce for the needs of the people? Instead of dividing ourselves up into owners and workers, why not have one class of those who work and collectively own the natural resources and principal means of production? Instead of teaching that the highest loyalty is to one particular nation, why not begin to practice the supreme loyalty to humanity, which leaves plenty of room for the right sort of patriotism?

How absurd is the present situation! In a city like New York it is the six million people who create the value of the land which nature made. It is a handful of landlords who reap those values in ground rents. In this great country we all need coal. It is the miners who dig it out of the earth. But it is the owners of the coal who certainly did not create it and usually contribute no labor to the mining process who reap the benefit of it. They let us have coal not on the basis of need, but of their profit. The result is oppression and terrific waste.

So we might go on from one illustration to another of waste and poverty where there might be plenty, cruelty and oppression where there might be brotherhood. We shall end these things as we learn to work together. We shall have to use labor unions and co-operative societies and a political party of the workers to further our ends. Now in the plastic period of your lives begin to associate yourselves with these builders of a new day.

The Young People's Socialist League, which sends you this leaflet, invites you to join its ranks. It stands for co-operation and the building of a new labor party. It is connected with the Socialist Party, but has its own organization of young people. In it young people learn together by discussing and by doing. We are organized into Circles—that is, branches or clubs—and our activities are numerous and varied. We hold discussions and debates on public questions; arrange literary and social events; conduct classes, mass

meetings, hikes and dances, and assist in the activities of the trade union, educational and political branches of the progressive labor movement.

If you are interested, join us now. We play together as well as work together. We shall keep young together and make over this old world so that the task of the generation that comes after us will come easier than ours.

The Filling Station

LINCOLN PHIFER

Mr. Tim Idd came to see Joe, the Standard ref. on important matters. He looked cautiously about to see that no one was overhearing, then put his hand half over his lips as he said: "I don't want anybody to hear me."

"And why not?" asked Joe, half man.

"Because I don't want to jeopardize your job."

"Have you a job yet, Tim?"

"No."

"Perhaps if you were not so cautious you might have one. A man has a right to his own opinions, hasn't he?"

"Hush! Yes, of course. But he has to be careful these days."

"If he is too darn careful, every body romps on him. Better stand up for your rights, Tim. You will get along better."

"That's what I want to ask you, Joe. Do you think it is safe to vote for Socialism?"

"It isn't safe to do anything else."

"But can we accomplish anything by doing it? Hadn't we better go about it gradual, and vote the Democratic ticket this time?"

"Look here, Tim," Joe turned upon him severely. "If everybody was like you we would all be slaves. You know very well the Democratic party will never overthrow the profit system."

"I know that, Joe."

"Then why do you propose to vote for something you don't want when you know you will get it if you vote for it? Buckle up and vote the Socialist ticket. Let people know you stand for something, and they will respect you."

"But do you believe we can win, do you, honest, Joe?"

"Certainly."

"Oh, Joe!"

"We may not win the election, Tim, but we can't help but win in the end if we dare to stand for what we know to be right."

"I used to believe that, Joe, but they brought on the war."

"And why did they bring on the war? Because we had already won, the world around. The only way they could prevent the fall of the profit system was by forcing the war and silencing talk. They did it last time, but now we will be too wise for them. There are more socialists now than there ever were."

"I know it."

"Well, we must roar and let the world know it. Let me hear you roar."

Tim said, "Whoopee," under his breath, and as he furtively glanced about and took his departure Joe said to himself: "He roars like a sucking calf."

Jolts and Jabs

I like to saunter through the book stacks, fondling neglected books, I think that men have buried them good.

To have the volume taken down and opened And a few lines perused. 'Tis like a cheery greeting to a hermit, a cheap kindness to one whose soul is smothering in neglect.

Bad weather makes big rivers. Incredulity is often cruelty. The self satisfied man is easily pleased.

No man is so great as his lodge little sounds. The average trains of thought are run on narrow gauge. It is not wise to tell all the truth you think you know. He who will not do little things cannot do big things. One living on a mountain doesn't know it is a mountain. When you are blue and get a yellow streak you are green. The products of civilization are sold at ridiculous profits. How much non-valued stock have

you bought? And at what do you value it?

If we do not learn from our blunders, it is as well that we did not blunder.

If sick people didn't have to prove they were sick they would probably forget and get well.

Since we are urged to be neither soft or hard, does it mean that we ought to be mellow?

Just about the time you think everything has been written about people forget and you can do it again. All energy is good if well directed; but if almost any energy hits you, it hurts.

The greatest invention of the ages is how to rob a man of what he is not yet possessed; that is the foundation of all fortunes.

The Politician was being quizzed by the Investigating Committee selected by congress.

"How much did you say you expended in this campaign?" asked the attorney conducting the investigation.

"A little less than three million dollars."

"That is all. Call the next witness. Ah—how much did you say you spent in the campaign?"

"About five thousand dollars."

"My God!" cried the Investigator with horror. "This corruption of the electorate must cease."

The people in the court room gasped. The great man surely was a friend of the people. If he remains regular he is likely to be elected something.

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